

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NEW YORK  
ISLIP DIVISION

FILED  
IN CLERK'S OFFICE  
U.S. DISTRICT COURT E.D.N.Y.

★ MAY 18 2012 ★

FREDDY GERSHON, FREDDY G JEWELERS, INC., )  
and JASON GERSHON, individually and derivatively )  
on behalf of LION MOUNTAIN HOLDINGS, LLC (a )  
Delaware limited liability company), )

Plaintiffs, )

Vs. )

DEREK C. LURIE, )

Defendant. )

LONG ISLAND OFFICE

**CV - 12 2514**

2012 C

Case being removed:

600727/2012

Supreme Court of

Nassau County

NOTICE OF REMOVAL

**FEUERSTEIN, J**

To: Rosenberg Calica & Dirney, LLP  
100 Garden City Plaza, Suite 408  
Garden City, NY 11530

Junge & Mele, LLP  
250 W. 57<sup>th</sup> Street, Suite 2532  
New York, NY 10107

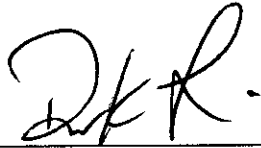
**BOYLE, M**

PLEASE TAKE NOTICE:

Defendant Derek C. Lurie, pro se, hereby removes case 600727/2012 for the Supreme Court of the County of Nassau, for the reasons that follow:

1. This case was filed on April 19, 2012;
2. Defendant Derek Lurie has not been served.
3. This notice of removal is timely pursuant to 28 U.S.C. §1446(b).
4. Jurisdiction is appropriate in Federal District Court pursuant to 28 U.S.C. §1332 in that the action is between parties of different states and the amount in controversy exceeds \$75,000.
5. Copies of the papers allegedly filed in the Supreme Court of Nassau County are attached hereto as Exhibit A.

DEREK LURIE hereby requests that the action pending in the Nassau Supreme Court be removed to this Court.

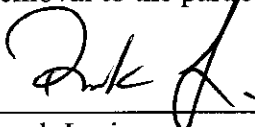


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Derek Lurie, pro se  
1155 Hackberry  
Deerfield, IL 600015

**Proof of Service**

I, Derek Lurie, under the penalties provided for perjury, state that I sent this Notice of Removal to the parties listed above via mail on May 17, 2012.



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Derek Lurie, pro se  
1155 Hackberry  
Deerfield, IL 600015

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NASSAU

FREDDY GERSHON, FREDDY G JEWELERS, INC.,  
and JASON GERSHON, individually and derivatively  
on behalf of LION MOUNTAIN HOLDING LLC (a  
Delaware limited liability company),

Plaintiffs,

- against -

DEREK C. LURIE,

Defendant.

-----X Index No. 2012-

Basis of venue is CPLR 503(a)  
and (c)

**SUMMONS  
WITH NOTICE**

**Commercial Division  
Assignment Requested**

Plaintiffs Have Offices at  
27 Glen Cove Road  
Greenvale, New York 11548

-----X  
**THE ABOVE NAMED DEFENDANT:**

**YOU ARE HEREBY SUMMONED** to answer the complaint in this action and to serve a copy of your Answer, or, if the Complaint is not served with this Summons, to serve a Notice of Appearance, on the Plaintiffs' Attorneys within twenty (20) days after the service of this Summons, exclusive of the day of service (or within thirty (30) days after the service is complete if this Summons is not personally delivered to you within the State of New York); and in case of your failure to appear or Answer, judgment will be taken against you by default for the relief demanded in the Complaint or Notice.

**NOTICE PURSUANT TO CPLR 305(b)**

The nature of this action and the relief sought are to recover monetary damages of \$15,000,000 and to obtain equitable and declaratory relief against defendant Derek C. Lurie for fraud, misrepresentation, breach of contract, and tortious interference with contractual relations, arising out of the following:

00056358-1

EXHIBIT

A

1. Freddy Gershon is the sole shareholder of Freddy G Jewelers, Inc. ("Freddy G"), a New York corporation, and Jason Gershon was at relevant times an employee thereof.

2. Commencing in or about 2009, Freddy Gershon and Jason Gershon formed a business relationship with citizens of and individuals residing in the Republic of Sierra Leone, Africa (the "Sierra Leone Parties"), inter alia, to acquire property in Sierra Leone for purposes of mining valuable metals and other valuable minerals, including without limitation, the mineral "Tantalum" (a/k/a niobium) and associated valuable materials utilized, inter alia, for electronics applications (the "Precious Minerals").

3. Freddy Gershon, Freddy G and Jason Gershon expended vast personal financial resources and personal efforts to develop business relations with the Sierra Leone Parties for the purpose of mining and selling Precious Minerals in and from Sierra Leone (the "SL Mining Business").

4. In or about December 2009, the Gershons and Freddy G Jewelers, Inc. entered into a formal written Joint Venture Agreement with the Sierra Leone Parties to acquire mining property and to develop and sell Precious Minerals in Sierra Leone in furtherance of the SL Mining Business.

5. In or about 2010, defendant Derek C. Lurie ("Lurie"), while in New York State, falsely and fraudulently represented to Freddy Gershon, Freddy G, and Jason Gershon that Lurie was capable of raising investor funds and capital for the SL Mining Business, and was capable of providing business advice and assistance to the Gershons, as a consequence of which, plaintiff Jason Gershon contemplated providing a form of future limited equity interest to Lurie in connection with the Gershons' share of the SL Mining Business, and Jason Gershon formed Lion

Mountain Holding LLC ("Lion Mountain Delaware"), a Delaware limited liability company for such purpose.

6. Lurie sought to induce the Gershons and Freddy G Jewelers, Inc. to transfer and convey their joint venture interest in the SL Mining Business to an entity in which Lurie would have an equity interest, in consideration of Lurie's false and fraudulent promise to raise investor funds using Lurie's falsely represented knowledge, skills, business acumen, financial resources and ability to raise capital.

7. Lurie also fraudulently induced and misadvised Jason Gershon to make personal loans and to sign individual guarantees and pledges of his personal assets, at a time while Jason Gershon was falsely induced by Lurie to believe that he was merely obtaining funds for the SL Mining Business from investors, whereas Lurie did not sign comparable documents.

8. Unknown to plaintiffs, Lurie was and is a principal of an unlicensed and unbonded mortgage servicing company headquartered in the State of Illinois known as American Escrow LLC (together with his father, Steven Lurie) which, while operating unlawfully without a required license or bond, "*embezzled and appropriated \$2.3 million*" (according to Lurie's own admission) of funds belonging to homeowners who had placed their mortgage servicing business with Lurie's company (also owned by Lurie's father and by other family members), which had been enjoined and closed down by governmental authorities<sup>1</sup>, and Lurie also later

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<sup>1</sup>See, Complaint filed by the Attorney General of the State of Illinois against American Escrow, LLC, Derek Lurie and Steven Lurie under Circuit Court of Cook County, Illinois, Docket number 09CH19149, at <http://www.idfpr.com/DFI/CCD/AMERICANESCROWCOMPLAINT06162009.pdf>, and default judgment for a permanent injunction, declaratory judgment and damages against Lurie at <http://www.ohioattorneygeneral.gov/getattachment/027b9cdb-011c-4507-ad48-350580bcf806/2011-Consumer-Protection-Annual-Report.aspx>.

misappropriated and diverted a portion of the Gershons' own SL Mining Business funds to Lurie's father and/or other family members.

9. As a result of the public stigma and distrust engendered to prospective investors in the SL Mining Business by reason of Lurie's larcenous financial background, which directly involved financial fraud and conversion, proposed investors in the Gershons' interest in the SL Mining Business were unwilling to make and/or otherwise repudiated prior commitments to the Gershons to provide investor sums necessary for the Gershons' interest in the SL Mining Business.

10. Further and without limitation, as a result of Lurie's stigma and public record of direct participation in prior financial frauds, Talison/Global Advanced Metals ("Talison/GAM"), one of the world's largest mining companies involved in the mining, processing and sale of Tantalum and similar precious minerals, withdrew its prior commitment to proceed to expend millions of dollars to develop, mine, manufacture and sell Precious Minerals in partnership with the SL Mining Business, and Talison/GAM would not do so as long as Lurie was in any manner associated, directly or indirectly, with the Gershons and with the Gershons' company.

11. As a consequence of the foregoing (without limitation), the Gershons and Freddy G Jewelers, Inc. were rendered unable to meet their own contractual commitments to provide funds for the SL Mining Business, suffered ruinous losses of their prospective interest in the SL Mining Business, have thus far been unable to obtain any formal ownership interest in the SL Mining Business, and the SL Mining Business has been unable to proceed to develop its Precious Minerals together with Talison/GAM.


12. As a result of the foregoing (without limitation), the Gershons, Freddy G Jewelers, Inc., and Lion Mountain Delaware have sustained damages in the amount of \$15,000,000, and are entitled to a Judgment equitably rescinding any right, claim, title or interest of Lurie which the Court may otherwise determine Lurie has or had in the Gershons' interest in the SL Mining Business, upon such terms and subject to such payments to Lurie (if any), as the Court may determine.

**RELIEF SOUGHT:**

- A. Monetary damages in favor of plaintiffs against defendant Derek Lurie in the amount of \$15,000,000; and
- B. Equitable and rescissionary relief, as described above.


Dated: Garden City, New York  
April 19, 2012

**ROSENBERG CALICA & BIRNEY LLP**

By:   
Robert M. Calica  
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(516) 747-7400

- and -

**JUNGE & MELE LLP**

By:   
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Freddy G Jewelers, Inc.*  
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TO: DEREK C. LURIE  
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Highland Park, IL 60035-50596